

# Allowable costs and co-funding

***Valid from 1 July 2020***

These guidelines are intended to support budgeting in programme, centre and project applications to Mistra (below programme). The document also serve as a framework for the permitted use of funding in an approved programme. Budgeting and financial follow-up should be carried out in cooperation with a financial administrator at the grant recipient.

## **1. Allowable costs**

### **1.1 Direct costs**

Direct costs are costs that are a direct result of the implementation of the programme.

#### ***1.1.1 Payroll costs***

Payroll costs are costs of staff directly engaged in the programme work, such as researchers, technicians and other employees. For administrative staff and people in support functions, if their costs are listed, the programme plan and budget must clarify how they form part of the programme activities.

Payroll costs are calculated as actual gross salary plus a mark-up for holiday pay, value of benefits, employer's contributions, pension costs and collective insurance. No internal cost allocations may be included in the mark-up for payroll costs.

#### ***1.1.2 Travel costs***

Travel costs connected with implementation of the programme may be included according to the grant recipient's travel rules.

#### ***1.1.3 Costs of materials***

Costs of materials that are necessary for the project are allowable.

Standard consumables and office supplies are not included in costs of materials and count as indirect costs instead; see 1.2 below.

#### ***1.1.4 Other costs***

Other costs include:

- costs of equipment hire, licences for software etc., depreciation of equipment and licences, used in the programme, including costs of written-off equipment
- costs of communicating research results
- consultants' fees.

#### *1.1.4.1 Costs of equipment, licences etc.*

Costs of equipment, licences for software etc. are allowable and are treated according to the grant recipient's regulations governing investments and depreciation of equipment. There are two basic ways of handling these costs, depending on the expense and use of the equipment:

1. For major investments, depreciated over a long period and used in more than one project and/or by more than one unit, the only costs that may be debited to the programme are those corresponding to the portion, time and/or share relating to the programme concerned.
2. For minor investments, written off in their entirety or used solely in connection with the individual programme concerned, the full cost must be debited to the programme.

Costs of personal computers and standard software are included in indirect costs; see 1.2.

#### *1.1.4.2 Costs of communicating research results*

Costs of communicating research results are costs of publishing and disseminating, in academic contexts, specialist journals and journals with international coverage, and of communicating information about programme activities on an ongoing basis and on completion, to various stakeholders. In addition, costs of language editing and costs related to open access publishing are allowable.

#### *1.1.4.3 Consultants' fees*

Consulting costs are accepted on a limited scale and must be in line with market rates. This category includes remuneration for people who must be engaged to implement the project plan. Consulting services may be supplied by, for example, firms or research institutes. They may not be provided by researchers who are also employed at the grant recipient, or by staff in co-funding companies.

## **1.2 Indirect costs**

Indirect costs are those that are not programme-specific but concern common resources and functions. Indirect costs and overhead costs are the same.

### ***1.2.1 Indirect costs at higher education institutions (HEIs)***

For calls published from 1 July 2020 Mistra refunds indirect costs, including costs of premises, up to a maximum of SEK 225,000 per full-time equivalent (FTE) worker annually.

Indirect costs include but are not limited to costs of:

- administration, such as the management of the university, faculty or department, libraries etc.
- administrative staff who do not entail direct costs in the project
- existing equipment that is used only on a negligible scale in the project concerned
- personal computers and standard software
- telephones (landlines and mobiles) and postal charges
- insurance and other risk-related costs
- consumables and office supplies
- office premises and workplaces for staff engaged both directly and indirectly in the project.

Costs of special premises requirements should, where they arise, be approved by Mistra before the application is submitted.

### **1.2.2 Indirect costs at research institutes and government agencies**

Costs of resources from research institutes that are wholly or partly owned by RISE Research Institutes of Sweden AB (RISE AB) are estimated at the same rates as the institutes charge their members. These rates must not include profit mark-ups and are lower than the prices that the institutes charge others.

For other institutes, government agencies and other organisations, special cost agreements on cost levels must be reached, with the guidelines in this document as the starting point.

### **1.2.3 Ongoing programmes and calls and programmes in start-up phase**

Indirect costs in ongoing programmes, centres and projects are subject to agreed models for these costs.

Ongoing calls and programmes in start-up phase are subject to the guidelines laid down in the call.

## **1.3 Disallowed costs**

### **1.3.1 Intangible costs**

Costs of applications for patents in the programme are not funded by Mistra.

### **1.3.2 Scholarships and fellowships**

Mistra's funding may not be used for scholarships, fellowships or educational grants.

## **1.4 Value-added tax**

All costs are disclosed excluding value-added tax (VAT). Funds from Mistra may not be used for VAT except in cases where VAT constitutes a genuine cost for the grantee. This applies if recipients of programme support are not liable to pay VAT.

Mistra's programme support is not liable to VAT.

## **2. Allowable co-funding**

Co-funding is funding in the programme from sources other than Mistra, for example companies, sector organisations and government agencies. Also co-funding from HEIs and research institutes is possible. Co-funding may consist of contributions in kind and/or cash funds. Further information about specific co-funding requirements in each call for applications is provided in the text of the call concerned.

### **2.1 Contributions in kind**

Other costs than those specified below require special approval from Mistra to count as co-funding.

#### **2.1.1 Payroll costs (researchers' own work)**

In co-funding from the business sector payroll costs are estimated as a standard amount, up to a maximum of SEK 1 000 per hour including direct salary, holiday pay, value of benefits,

employer's contributions, pension and collective insurance, and indirect costs. For hourly costs exceeding SEK 1 000 per hour, special reasons and Mistra's approval are required.

In other co-funding payroll costs are calculated as actual direct salary plus a mark-up for holiday pay, the value of benefits, employer's contributions, pension costs and collective insurance. No internal cost allocations may be included in the mark-up for payroll costs.

### **2.1.2 Travel costs**

Travel costs connected with implementation of the programme.

### **2.1.3 Costs of materials**

Costs of materials that are necessary for the programme.

Costs of standard consumables and office supplies count as indirect costs.

### **2.1.4 Costs of using expensive equipment and/or licences for use of software**

Costs of using and modifying or building expensive equipment may count as co-funding. The application should then include an estimate, showing how the cost of using the equipment or licences has been calculated. Mistra assesses how far the estimated cost may be considered reasonable.

### **2.1.5 Consultants' fees**

Fees for consultants, i.e. costs of work that has been carried out by people who are not employees in the participating / co-funding company or organisation concerned and that arise in the co-funding company or organisation for its implementation of the programme, may count as co-funding. The costs must be in line with market rates and be checked with Mistra before the application is submitted. Indirect costs may not be charged to consulting costs.

### **2.1.6 Indirect costs**

In co-funding from the business sector indirect costs are included in the internal rate for payroll costs; see 2.1.1 above.

In co-funding from HEIs, research institutes, government agencies and other organisations indirect costs allowable as co-funding are calculated according to the rules for indirect costs financed by Mistra as specified in section 1.2 above.

### **2.1.7 Value-added tax**

Value-added tax (VAT) may count as co-funding only if it constitutes a genuine cost.

## **2.2 Cash funds**

Cash funds may count as co-funding unless the call for applications specifies otherwise.